

MARION COUNTY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2007

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents - Note C	2,443,793	56,710	2,500,503
Accounts Receivable:			
Taxes - Current	185,313		185,313
Taxes - Delinquent	36,973		36,973
Accounts	109,057		109,057
Intergovernmental - State	227,023	22,942	249,965
Intergovernmental - Federal	129,445		129,445
Bond Issue Costs	717,257		717,257
Inventories for Consumption		11,090	11,090
Total Current Assets	3,848,861	90,742	3,939,603
Noncurrent Assets - Note F			
Land	814,396		814,396
Construction In Progress	559,986		559,986
Buildings & Improvements	37,247,556		37,247,556
Furniture & Equipment	6,173,981	736,938	6,910,919
Less: Accumulated Depreciation	(14,913,188)	(417,046)	(15,330,234)
Total Noncurrent Assets	29,882,731	319,892	30,202,623
TOTAL ASSETS	33,731,592	410,634	34,142,226
LIABILITIES:			
Current Liabilities:			
Accounts Payable	136,755	31	136,786
Accrued Sick Leave - Note A	238,392		238,392
Deferred Revenues	133,859		133,859
Bond Obligations - Note E	1,273,932		1,273,932
Accrued Interest Payable	174,250		174,250
Total Current Liabilities	1,957,188	31	1,957,219
Noncurrent Liabilities:			
Bond Obligations - Note E	18,645,868		18,645,868
Accrued Sick Leave - Note A	223,533		223,533
Total Noncurrent Liabilities	18,869,401		18,869,401
TOTAL LIABILITIES	20,826,589	31	20,826,620
NET ASSETS:			
Invested in Net Assets, Net of Related Debt	9,962,931	319,892	10,282,823
Restricted for:			
Capital Projects			0
School Based Decision Making			
Other Purposes	17,684		17,684
Unrestricted	2,924,388	90,711	3,015,099
TOTAL NET ASSETS	12,905,003	410,603	13,315,606
TOTAL LIABILITIES AND NET ASSETS	33,731,592	410,634	34,142,226

See independent auditor's report and accompanying notes to financial statements.

MARION COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

FUNCTION/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
		CHARGES FOR SERVICES	OPERATING	CAPITAL	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS			
GOVERNMENTAL ACTIVITIES:							
Instructional	17,687,208	160,806	3,110,672		(14,415,730)		(14,415,730)
Student Support Services	695,560		101,734		(593,826)		(593,826)
Staff Support Services	732,774		140,533		(592,241)		(592,241)
District Administration	727,331				(727,331)		(727,331)
School Administration	1,042,503				(1,042,503)		(1,042,503)
Business Support Services	458,978				(458,978)		(458,978)
Plant Operation & Maintenance	1,845,091				(1,845,091)		(1,845,091)
Student Transportation	1,607,598	39,960			(1,567,638)		(1,567,638)
Central Office	2,737				(2,737)		(2,737)
Community Service Operations	340,376		251,223		(89,153)		(89,153)
Facilities Acquisition & Construction	664,218			715,748	51,530		51,530
Interest on Long-Term Debt - Note Q	867,052				(867,052)		(867,052)
TOTAL GOVERNMENTAL ACTIVITIES	26,671,426	200,766	3,604,162	715,748	(22,150,750)		(22,150,750)
BUSINESS-TYPE ACTIVITIES:							
Food Service	2,100,826	695,739	1,367,939	177,485		140,337	140,337
TOTAL BUSINESS-TYPE ACTIVITIES	2,100,826	695,739	1,367,939	177,485	0	140,337	140,337
TOTAL SCHOOL DISTRICT	28,772,252	896,505	4,972,101	893,233	(22,150,750)	140,337	(22,010,413)
GENERAL REVENUES:							
Taxes					5,759,853		5,759,853
State Aid - Formula Grants					16,794,502		16,794,502
Investment Earnings					204,936	4,756	209,692
Proceeds From Bonds					0		0
Miscellaneous					45,048		0
SPECIAL ITEMS:							0
Gain(Loss) Sale of Assets					6,557		6,557
Loss Compensation					31,027		31,027
TOTAL GENERAL & SPECIAL					22,841,923	4,756	22,846,679
CHANGE IN NET ASSETS					691,173	145,093	836,266
NET ASSETS - BEGINNING					12,213,830	265,510	12,479,340
NET ASSETS - ENDING					12,905,003	410,603	13,315,606

See independent auditor's report and accompanying notes to financial statements.

MARION COUNTY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007

	GENERAL FUND	SPECIAL REVENUE	CONSTRUCTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash & Cash Equivalents	2,478,953	(218,664)	55,127	128,377	2,443,793
Accounts Receivable:					
Taxes - Current	185,313				185,313
Taxes - Delinquent	36,973				36,973
Accounts	109,057				109,057
Intergovernmental - State		227,023			227,023
Intergovernmental - Federal		129,445			129,445
TOTAL ASSETS	<u>2,810,296</u>	<u>137,804</u>	<u>55,127</u>	<u>128,377</u>	<u>3,131,604</u>
LIABILITIES AND FUND BALANCE:					
Liabilities:					
Accounts Payable	70,557	3,945	55,127	7,126	136,755
Accrued Salaries & Sick Leave	238,392				238,392
Deferred Revenues		133,859			133,859
Total Liabilities	<u>308,949</u>	<u>137,804</u>	<u>55,127</u>	<u>7,126</u>	<u>509,006</u>
Fund Balance:					
Reserved for:					
Encumbrances					
Site-Based Carryforward					
Accrued Sick Leave	233,533				233,533
Unreserved:	2,267,814				2,267,814
Unreserved - Reported in Non-Major				103,567	103,567
Capital Projects Fund					0
Debt Service Fund				17,684	17,684
Other Purposes					0
Total Fund Balance	<u>2,501,347</u>	<u>0</u>	<u>0</u>	<u>121,251</u>	<u>2,622,598</u>
TOTAL LIABILITIES AND NET ASSETS	<u>2,810,296</u>	<u>137,804</u>	<u>55,127</u>	<u>128,377</u>	<u>3,131,604</u>

See independent auditor's report and accompanying notes to financial statements.

MARION COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2007

Amounts reported for governmental activities in the statement of net assets are different because:

TOTAL GOVERNMENTAL FUND BALANCE		2,622,598
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Cost of Capital Assets	44,795,919	
Accumulated Depreciation	<u>(14,913,188)</u>	29,882,731
Bond Issuance Costs		717,257
Long-term liabilities (including bonds payable) are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Long-term liabilities at year end consist of:		
Bonds Payable	(19,919,800)	
Accrued Interest on Bonds	(174,250)	
Accrued Sick Leave	<u>(223,533)</u>	<u>(20,317,583)</u>
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES		<u>12,905,003</u>

See independent auditor's report and accompanying notes to financial statements.

MARION COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	GENERAL	SPECIAL REVENUE	CONSTRUCTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Taxes	5,281,914			477,940	5,759,854
Earnings on Investments	219,498	3,170	25,077	229	247,974
Intergovernmental - State	15,816,397	1,479,635		1,581,007	18,877,039
Intergovernmental - Federal	112,845	1,974,337			2,087,182
Other Sources	202,611	143,204	100,000		445,815
TOTAL REVENUES	21,633,265	3,600,346	125,077	2,059,176	27,417,864
EXPENDITURES:					
Instructional	14,136,368	3,149,652			17,286,020
Student Support Services	592,958	101,734			694,692
Staff Support Services	583,957	140,533			724,490
District Administration	626,376				626,376
School Administration	1,008,734				1,008,734
Business Support Services	458,978				458,978
Plant Operation & Maintenance	1,832,391				1,832,391
Student Transportation	1,764,525				1,764,525
Central Office					0
Food Service Operation					0
Community Service Operations	87,652	251,223			338,875
Adult Education Operations					0
Facilities Acquisition & Construction	19,715		2,048,763	78,352	2,146,830
Debt Service:					
Principal				1,308,621	1,308,621
Interest				854,913	854,913
TOTAL EXPENDITURES	21,111,654	3,643,142	2,048,763	2,241,886	29,045,445
EXCESS(DEFICIT) REVENUES OVER EXPENDITURES	521,611	(42,796)	(1,923,686)	(182,710)	(1,627,581)
OTHER FINANCING SOURCES(USES):					
Proceeds from Sale of Bonds					0
Proceeds from Sale of Assets	806				806
Operating Transfers In - Note O		42,796	234,779	1,298,272	1,575,847
Operating Transfers Out - Note O	(490,581)			(1,085,266)	(1,575,847)
TOTAL OTHER FINANCING SOURCES	(489,775)	42,796	234,779	213,006	806
NET CHANGE IN FUND BALANCES	31,836	0	(1,688,907)	30,296	(1,626,775)
FUND BALANCES - BEGINNING	2,469,511	0	1,688,907	90,955	4,249,373
FUND BALANCES - ENDING	2,501,347	0	0	121,251	2,622,598

See independent auditor's report and accompanying notes to financial statements.

MARION COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

Amounts reported for governmental activities in the statement of net assets are different because:

NET CHANGES - GOVERNMENTAL FUNDS (1,626,775)

Governmental funds report capital outlays as expenditures because they use current financial resources. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital exceeds depreciation expense for the year.

Depreciation Expense	(1,197,972)	
Capital Outlays	2,249,508	
	1,051,536	1,051,536

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.

Principal Paid	1,308,621	
Bond Proceeds	0	
	1,308,621	1,308,621

Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.

Amortization-Bond Issuance Costs	(123,615)	
Accrued Interest Payable	8,799	
Accrued Sick Leave	72,607	
	(42,209)	(42,209)

In the statement of activities the net gain on the sale/disposal of assets is reported in whereas in the governmental funds the proceeds from the sale increases financial resources. Thus the change in net assets differs from change in fund balances by the cost of the asset sold.

Gain - Sale of Assets		
	691,173	691,173

CHANGES - NET ASSETS GOVERNMENTAL FUNDS

See independent auditor's report and accompanying notes to financial statements.

MARION COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Taxes	4,302,500	4,650,000	5,281,914	(631,914)
Other Local Sources	219,690	213,339	422,109	(208,770)
State Sources	11,448,859	11,753,186	15,816,397	4,063,211
Federal Sources	75,350	75,350	112,845	37,495
Other Sources	0	0	806	806
TOTAL REVENUES	16,046,399	16,691,875	21,634,071	4,942,196
EXPENDITURES:				
Instructional	10,570,957	11,106,690	14,136,368	(3,029,678)
Student Support Services	570,529	581,350	592,958	(11,608)
Staff Support Services	488,895	570,954	583,957	(13,003)
District Administration	431,820	451,190	626,376	(175,186)
School Administration	904,280	929,045	1,008,734	(79,689)
Business Support Services	370,625	424,100	458,978	(34,878)
Plant Operation & Maintenance	1,523,607	1,608,692	1,832,391	(223,699)
Student Transportation	1,301,130	1,508,705	1,764,525	(255,820)
Central Office	0	0	0	0
Community Service Operations	20,100	25,500	87,652	(62,152)
Facility Acquisition & Construction	504,263	65,565	19,715	45,850
Other	1,760,679	1,866,139	490,581	1,375,558
TOTAL EXPENDITURES	18,446,885	19,137,930	21,602,235	(2,464,305)
NET CHANGE IN FUND BALANCE	(2,400,486)	(2,446,055)	31,836	2,477,891
FUND BALANCES - BEGINNING	2,400,486	2,446,055	2,469,511	0
FUND BALANCES - ENDING	0	0	2,501,347	2,477,891

On-behalf payments totaling \$ 3,976,834 are not budgeted by the Marion County School District.

See independent auditor's report and accompanying notes to financial statements.

MARION COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Taxes				
Other Local Sources	225,075	114,312	142,212	(27,900)
State Sources	1,160,177	1,331,483	1,479,635	(148,152)
Federal Sources	2,149,314	1,905,355	1,974,337	(68,982)
Other Sources	44,471	44,162	46,958	(2,796)
TOTAL REVENUES	3,579,037	3,395,312	3,643,142	(247,830)
EXPENDITURES:				
Instructional	3,034,086	2,839,907	3,149,652	(309,745)
Student Support Services	101,584	109,842	101,734	8,108
Staff Support Services	161,411	147,148	140,533	6,615
District Administration				
School Administration				
Business Support Services				
Plant Operation & Maintenance				
Student Transportation	21,156	26,173		26,173
Central Office				
Community Service Operations	260,800	272,242	251,223	21,019
Facility Acquisition & Construction				
Other				
TOTAL EXPENDITURES	3,579,037	3,395,312	3,643,142	(247,830)
NET CHANGE IN FUND BALANCE	0	0	0	0
FUND BALANCES - BEGINNING	0	0	0	0
FUND BALANCES - ENDING	0	0	0	0

See accompanying auditor's report and accompanying notes to financial statements.

MARION COUNTY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2007

	ENTERPRISE FUNDS		
	FOOD SERVICE	OTHER ENTERPRISE FUNDS	TOTAL
ASSETS:			
Current Assets:			
Cash & Cash Equivalents	56,710		56,710
Investments			0
Accounts Receivable	22,942		22,942
Inventories for Consumption	11,090		11,090
Total Current Assets	90,742	0	90,742
Noncurrent Assets:			
Furniture & Equipment	736,938		736,938
Less: Accumulated Depreciation	(417,046)		(417,046)
Total Noncurrent Assets	319,892	0	319,892
TOTAL ASSETS	410,634	0	410,634
LIABILITIES:			
Current Liabilities:			
Account Payable	31		31
Accrued Sick Leave			
Total Current Liabilities	31	0	31
Net Assets:			
Invested in Assets, Net of Debt	319,892		319,892
Unrestricted	90,711		90,711
Total Net Assets	410,603	0	410,603
TOTAL LIABILITIES AND NET ASSETS	410,634	0	410,634

See independent auditor's report and accompanying notes to financial statements.

MARION COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	ENTERPRISE FUNDS		
	FOOD SERVICE	OTHER ENTERPRISE FUNDS	TOTAL
OPERATING REVENUES:			
Lunchroom Sales	662,234		662,234
Other Operating Revenues	33,505		33,505
TOTAL OPERATING REVENUES	695,739	0	695,739
OPERATING EXPENSES:			
Salaries & Benefits	1,224,821		1,224,821
Contract Services	23,015		23,015
Materials & Supplies	815,410		815,410
Depreciation - Note F	31,106		31,106
Other Operating Expenses	6,474		6,474
TOTAL OPERATING EXPENSES	2,100,826	0	2,100,826
OPERATING INCOME(LOSS)	(1,405,087)	0	(1,405,087)
NONOPERATING REVENUES(EXPENSES):			
Federal Grants	872,119		872,119
State Grants	417,867		417,867
Donated Commodities	77,953		77,953
Interest Income	4,756		4,756
Miscellaneous Income	0		0
TOTAL NONOPERATING REVENUE	1,372,695	0	1,372,695
INCOME(LOSS) BEFORE CAPITAL CONTRIBUTIONS	(32,392)	0	(32,392)
CAPITAL CONTRIBUTIONS	177,485	0	177,485
CHANGE IN NET ASSETS	145,093	0	145,093
TOTAL NET ASSETS - BEGINNING	265,510		265,510
TOTAL NET ASSETS - ENDING	410,603	0	410,603

See independent auditor's report and accompanying notes to financial statements.

MARION COUNTY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash Received from:	
Lunchroom Sales	672,797
Cash Paid to/for:	
Employees	(806,954)
Supplies	(741,853)
Other Activities	(29,458)
	<hr/>

Net Cash Used by Operating Activities (905,468)

CASH FLOWS FROM NON-CAPITAL AND RELATED
FINANCING ACTIVITIES:

Federal Grants 872,119

CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES:

Purchases of Capital Assets (1,052)

CASH FLOWS FROM INVESTING ACTIVITIES

Receipt of Interest Income

4,756

Net Decrease in Cash and Cash Equivalents (29,645)

Balances, Beginning of Year

86,355

Balances, End of Year

56,710

RECONCILIATION OF OPERATING LOSS TO NET CASH
USED BY OPERATING ACTIVITIES:

Operating Loss (1,405,087)

Adjustments to Reconcile Operating Loss to Net Cash (Used)
by Operating Activities

Depreciation	31,106
State On-Behalf Payments	417,867
Donated Commodities	77,953
Change in Assets and Liabilities:	
Accounts Receivable	(22,942)
Inventory	1,424
Accounts Payable	(5,789)
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Net Cash Used by Operating Activities

(905,468)

Schedule of Non-Cash Transactions:

Donated Commodities	77,953
State On-Behalf Payments	417,867
Capital Contributions	177,537

See independent auditor's report and accompanying notes to financial statements.

MARION COUNTY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2007

	PRIVATE PURPOSE TRUST FUNDS	AGENCY FUND
ASSETS:		
Cash and Cash Equivalents	8,379	209,554
Accounts Receivable		800
Investment Income Receivable		
Loans Receivable		
Investments - Note D	167,539	
TOTAL ASSETS	<u>175,918</u>	<u>210,354</u>
LIABILITIES:		
Accounts Payable	0	6,797
Due to Student Groups		203,557
TOTAL LIABILITIES	<u>0</u>	<u>210,354</u>
NET ASSETS HELD IN TRUST	<u><u>175,918</u></u>	<u><u>0</u></u>

See independent auditor's report and accompanying notes to financial statements.

MARION COUNTY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	<u>PRIVATE PURPOSE TRUST FUNDS</u>
ADDITIONS:	
Net Interest and Investment Gains(Losses)	29,027
Scholarship Funds Contributed	
DEDUCTIONS:	
Benefits Paid	<u>7,500</u>
Changes in Net Assets	21,527
NET ASSETS - BEGINNING OF YEAR	<u>154,391</u>
NET ASSETS - END OF YEAR	<u><u>175,918</u></u>

See independent auditor's report and accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE F - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2007, was as follows:

	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ENDING BALANCE
GOVERNMENTAL ACTIVITIES:				
Land	814,396			814,396
Buildings & Building Improvements	29,911,119	7,336,437		37,247,556
Technology Equipment	2,220,810	560,450	210,868	2,570,392
Vehicles	2,777,634	132,938		2,910,572
General Equipment	666,117	26,900		693,017
Construction In Progress	6,367,203	(5,807,217)		559,986
TOTAL AT HISTORICAL COST	42,757,279	2,249,508	210,868	44,795,919
LESS ACCUMULATED DEPRECIATION FOR:				
Land	0			0
Buildings & Building Improvements	9,771,709	786,857		10,558,566
Technology Equipment	1,504,981	287,864	210,868	1,581,977
Vehicles	2,251,165	74,858		2,326,023
General Equipment	398,229	48,393		446,622
Construction In Progress	0			0
TOTAL ACCUMULATED DEPRECIATION	13,926,084	1,197,972	210,868	14,913,188
GOVERNMENTAL ACTIVITIES CAPITAL NET	28,831,195	1,051,536	0	29,882,731
PROPRIETARY ACTIVITIES:				
Land	0			0
Buildings & Building Improvements	0			0
Technology Equipment	5,348			5,348
Vehicles	0			0
General Equipment	556,253	178,537	3,200	731,590
Construction	0			0
TOTALS AT HISTORICAL COST	561,601	178,537	3,200	736,938
LESS ACCUMULATED DEPRECIATION FOR:				
Land	0			0
Buildings & Building Improvements	0			0
Technology Equipment	3,921	981		4,902
Vehicles	0			0
General Equipment	385,219	30,125	3,200	412,144
Construction	0			0
TOTAL ACCUMULATED DEPRECIATION	389,140	31,106	3,200	417,046
PROPRIETARY ACTIVITIES CAPITAL NET	172,461	147,431	0	319,892
DEPRECIATION EXPENSE CHARGED TO GOVERNMENTAL FUNCTIONS AS FOLLOWS:				
Instructional				971,660
Student Support Services				869
Staff Support Services				10,020
District Administration				104,004
School Administration				33,769
Business Support Services				0
Plant Operation & Maintenance				24,063
Student Transportation				49,349
Central Office				2,737
Community Service Operations				1,501
TOTAL				1,197,972